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Chairman: Mr. Chowdhury ..... (Bangladesh)
later: Ms. Zubčević (Vice-Chairman) ..... (Croatia)
later: Ms. Cronenberg-Mossberg (Vice-Chairman) ..... (Sweden)

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03-59966 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 93: Sustainable development and international economic cooperation (*continued*)

(a) Women in development (*continued*)

Introduction of draft resolution A/C.2/58/L.27

1. **Mr. Aboutahir** (Morocco) introduced the draft resolution entitled "Women in development" on behalf of the Group of 77 and China.

Agenda item 94: Environment and sustainable development (*continued*)

(e) International Strategy for Disaster Reduction (*continued*)

Introduction of draft resolution A/C.2/58/L.25

2. **Mr. Arrouchi** (Morocco) introduced the draft resolution entitled "Natural disasters and vulnerability" on behalf of the Group of 77 and China.

Agenda item 91: Macroeconomic policy questions (*continued*)

(a) International trade and development (*continued*) (A/58/15 (Part I), A/58/15 (Part II), A/58/15 (Part III), A/58/15 (Part IV), A/58/15 (Part V), A/58/154, A/58/204, A/58/301, A/58/414 and A/C.2/58/9)

(g) Commodities (*continued*) (A/58/204 and A/58/401)

3. **Mr. Zenna** (Ethiopia), associating himself with the statements made by the representatives of Morocco and the Lao People's Democratic Republic, assured the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), President of the UNCTAD Trade and Development Board and the High Representative of Least Developed Countries, Landlocked Developing Countries and Small Island Developing States of his delegation's full support for the plans they had put forward.

4. The Committee must address the failure to make progress at the fifth Ministerial Conference of the World Trade Organization (WTO) held in Cancún and the decline in commodity prices. His delegation called for prompt implementation of the Doha Development Agenda, particularly with respect to export items of special interest to developing countries such as textiles, clothing and leather products.

5. Trade was a major source of foreign exchange, savings and investment for his and many other developing countries. He welcomed the European Union's Everything but Arms initiative, the United States African Growth and Opportunity Act and other measures to grant greater market access to the least developed countries. His delegation called on development partners, however, for further technical assistance, support for capacity-building to increase productivity and meet health and safety requirements and the removal of trade barriers so that the least developed countries could fully benefit from such initiatives.

6. His delegation commended the report of the meeting of eminent persons on commodity issues (A/58/401) and urged Member States to implement the panel's recommendations.

7. Expressing concern over the volatility of international commodity prices and the deterioration of the terms of trade for commodity-dependent countries, his delegation drew attention to the Secretary-General's report (A/58/414), which pointed to the need to raise the profile of commodities in the multilateral and wider international trade and development cooperation agenda.

8. The approximately 50 countries, mostly in Africa, that depended on one commodity export for more than half their foreign exchange earnings stood little to gain from traditional negotiations, because their problems stemmed from oversupply or declining prices for commodities such as coffee, which had not been addressed on the trade agenda. As a result, school enrolment, social investment and debt sustainability deteriorated. The Heavily Indebted Poor Countries (HIPC) Initiative had unintentionally exacerbated debt sustainability problems stemming from falling commodity prices.

9. **Mr. Dasmunsi** (India) commended the reports of the UNCTAD Secretary-General, particularly the Trade and Development Report 2003. Because developing countries regarded trade as a means for development, they had a shared interest in achieving an open, equitable, rule-based, predictable and non-discriminatory multilateral system of trade. The WTO

Ministerial Meeting in Cancún had provided critical insights into the problems that developing countries faced in achieving the Millennium Development Goals.

10. Developing countries needed improved market access, export price stabilization, an environment conducive to the development of local industry and a reduction of export barriers. Priority must be given to the trade negotiation process in light of the alarming trade imbalance between developing and developed countries.

11. Even though development had been a priority of the Doha work programme, the deadlines set in the Doha Ministerial Declaration had all been missed. The Cancún Ministerial Conference had broken down because the draft document had been weighted against the interests of developing countries. Nevertheless, those countries had shown extraordinary solidarity, despite significant pressure, in effectively articulating their concerns. Multilateral solutions, political will, dialogue and consideration of the specific needs of developing countries were required to implement the Doha Development Agenda. His delegation hoped that the failure in Cancún would not jeopardize progress on negotiations over non-agricultural products and services.

12. His delegation welcomed the report of the meeting of eminent persons on commodity issues, the statement made in plenary on 3 November 2003 by President Museveni of Uganda (A/58/PV.53) and the interest shown by the President of the General Assembly in the question of commodities.

13. Many developing countries would continue to depend on income from commodity exports, particularly in sub-Saharan Africa. Diversification and manufacturing value added would remain elusive, however, without reform of the tariff structures in developed countries. UNCTAD was uniquely placed to build consensus on trade policies from a development perspective and provide insights into the links between trade, money, finance, technology and development. His delegation welcomed UNCTAD's participation in the annual Economic and Social Council meetings with the Bretton Woods institutions and WTO.

14. **Mr. Valera** (Mexico) affirmed his delegation's view of international trade as a powerful motor for development. Although the fifth Ministerial Conference of the WTO had not resulted in consensus, it had provided an opportunity to take stock of progress made and pointed to the need for political agreement to successfully complete the Doha round on time.

15. There had been some positive results in Cancún, such as an agreement on access to drugs by developing countries. To advance the Doha Development Agenda, Members must build on those achievements and areas in which agreement had been reached in Cancún, including the draft ministerial declaration presented by Chairperson Luis Ernesto Derbez.

16. His delegation appealed to WTO members to strengthen free trade and pursue negotiations over such vital issues as agriculture, access to non agricultural markets, the Singapore issues and the cotton initiative, in a spirit of openness and constructive dialogue. A multilateral trade system, one of the main pillars of the Monterrey Consensus, was crucial for implementing the Millennium Declaration.

17. His Government would continue to work constructively to address the concerns of developing countries and promote balanced negotiations.

18. **Mr. Koonjul** (Mauritius), speaking on behalf of the Alliance of Small Island States (AOSIS), said that international trade was essential to development. Small and weak nations required firm and equitable trade rules to shield them from unfair, unilateral actions from dominant economies. His delegation was painfully aware of the role that WTO played in determining the multilateral framework for international trade.

19. Almost all members of AOSIS had been single-commodity exporters and forced to accept prices rather than set them. Dependence on a single commodity, a legacy of the colonial era for many formerly self-sufficient small island developing States, often involving slavery and indentured labour, had been replaced by dependence on a single service sector such as tourism. Small island developing States must have the leverage to shape WTO rules to create an environment conducive to development. Their full participation in negotiations had been hampered by their weak WTO membership, lack of human and financial resources and absence of permanent representation in Geneva. They also encountered difficulties in enacting WTO rules concerning intellectual property rights, trade in services, customs valuation, trade-related investment measures and trade remedies and suffered from small domestic markets, remoteness from foreign markets, scarce natural resources and export concentration.

20. Subsidies were critical to many small island developing States in order to promote diversification and offset their transport costs, size of markets, isolation and diseconomies of scale. The WTO Agreement on Subsidies and Countervailing Measures should provide for automatic renewal of non-agricultural export subsidies for small island developing States. Given the vital importance of the fishing industry to small island developing States, WTO must not consider as subsidies any access fees to fund the development of the local industry, incentives for foreign and local fishermen to supply domestic processing facilities and government assistance to the artisanal fisheries sector. Preferential trading arrangements, crucial for the economic survival of small island developing States, had partly compensated for their lack of comparative advantage and served to attract foreign investment, and therefore must be protected during the current round of negotiations.

21. Welcoming the special attention that the report of the meeting of eminent persons on commodity issues gave to vulnerable economies, particularly small island States, he said that the global multilateral trading system must be flexible and cater for their special needs. Globalization must not create winners and losers. Small island developing States had been preparing for the 10-year review of the Barbados Programme of Action, in August 2004, which would be addressing the specific challenges facing those States in achieving sustainable development, including the issue of trade in commodities.

22. **Mr. Fasehun** (Observer for the World Intellectual Property Organization (WIPO)), noting that intellectual property had a key role to play in meeting many of the challenges of the twenty-first century, said that WIPO was committed to the maintenance and further development of the respect for intellectual property rights through cooperation with and among member States and all other stakeholders. The key to exploiting the intellectual property system for wealth creation was a strong national intellectual property system which nurtured the development of skilled personnel in many fields, especially in research and development, law and marketing. That would in turn have a positive impact on innovative activities.

23. There were strong indications that innovative activities were accelerating in developing countries. For example, a team of Kenyan scientists had collaborated with their British counterparts to develop a potential vaccine against HIV based on the consistent immunity shown by a high-risk segment of the population to an HIV strain dominant in Kenya. The patent for that vaccine was held jointly by Kenyan and British scientists, who had agreed to use their ownership to help ensure that the vaccine, should it prove effective, would be made available at reasonable prices to Kenya and other developing countries. Another example concerned the development and patenting by the Nigerian Institute for Pharmaceutical Research and Development of a breakthrough treatment for sickle cell disease, based on the work of a traditional practitioner of medicine. The Institute had negotiated a licensing agreement for the commercial production and global marketing of the product with a United States-based company, which would safeguard the interest of Nigeria in the use of its traditional medicine and could be a model for other countries. Those two cases illustrated how the intellectual property system could be used to address pressing medical issues with global implications, enhance national research capacity as well as secure resources and exploit for national benefit an aspect of traditional knowledge. Other aspects of the intellectual property system, such as collective rights management, were also being developed with the assistance of WIPO. Such a system could earn Jamaica alone as much as $350 million.

24. **Mr. Mirafzal** (Islamic Republic of Iran) said that the Cancún Ministerial Conference of WTO was evidence of the level of dissatisfaction of its developing country members caused by the lack of transparency and exclusive nature of the decision-making mechanisms. The collapse of the talks showed the fragility of the multilateral trading system, which was threatened by the ambiguous behaviour of some developed countries that tried to replace multilateralism by bilateralism and sought to establish some sort of "prioritized relations" with certain trading partners. Developing countries had closed ranks on vital issues and found a common negotiating position. The manner in which WTO responded to that reality might determine the future of the organization. If all positions were fairly reflected and decisions taken in an equitable and transparent manner, the multilateral trading system would be able to find satisfactory solutions to all issues.

25. Referring to the WTO accession process, he said that the provisions of article XII of the WTO

Agreement should be fully implemented in order to allow the 50 countries that were currently not members to join, thus making the organization truly universal. Any member country that opposed the accession of a non-member country must give the reasons for its objection and political considerations must not be entertained.

Agenda item 101: Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and of the twenty-fifth special session of the General Assembly (A/58/8, A/58/178 and A/58/204)

26. **Ms. Tibaijuka** (Executive Director of the United Nations Human Settlements Programme (UN-Habitat)) introduced the report of the Governing Council of the United Nations Human Settlements Programme (A/58/8) and the report of the Secretary-General on the special session of the General Assembly for an overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (HABITAT II) and the strengthening of the United Nations Human Settlements Programme (UN-Habitat) (A/58/178). Cities had moved to the forefront of socio-economic change and sustainable development since the beginning of the new millennium. Half of the world's population was now living in cities and urban settlements, while the other half was increasingly dependent on cities and towns for their economic survival and livelihood. UN-Habitat had demonstrated that cities were centres of innovation and engines of development. Over the last decade, the role of local governments as catalysts for development and community leadership had also evolved, with a strong emphasis on partnership with business and civil society.

27. The Governing Council had, inter alia, requested the Executive Director to develop innovative approaches and to mobilize adequate financial resources. Accordingly, UN-Habitat was continuing to explore and build new partnerships with financial institutions, the private sector and other partners in order to strengthen the United Nations Habitat and Human Settlements Foundation. The Council had also asked the Foundation to work with the World Bank group and other international financial institutions to develop a mechanism for increasing the supply of affordable credit for slum upgrading and other pro-poor human settlements development. With a view to meeting the Cities Without Slums goal of the Millennium Declaration, UN-Habitat had launched two campaigns — the Global Campaign on Secure Tenure, designed to spearhead a shelter strategy that promoted the rights and interests of the poor, and the Global Campaign on Urban Governance, designed to promote accountable and transparent urban governance and to eradicate all forms of exclusion.

28. The most dramatic finding of the 2003 Global Report on Human Settlements was that the world's slum population might expand from the present level of nearly 1 billion, out of a world population of 6 billion, to about 2 billion, out of a world population of 8 billion by 2030. Without immediate and resolute action at the local, national and international levels, that urban challenge could turn into a "time bomb". Indeed, the Millennium Development Goal of improving the lives of at least 100 million slum-dwellers by 2020 was modest, and a more ambitious target might be needed.

29. She strongly recommended the adoption by the General Assembly of the proposed new draft rules of procedure of the Governing Council of UN-Habitat. Their adoption would facilitate the participation of key partners in the deliberations of the Governing Council and thus contribute to the optimum implementation of the Habitat Agenda.

30. The report of the Secretary-General placed special emphasis on financing of shelter and human settlements, given the enormous and rising deficits in decent housing, public services and basic infrastructure. In that regard, UN-Habitat had been developing its collaboration with international financial institutions in support of the Habitat Agenda and the Millennium Goals. Memoranda of understanding for collaboration had been signed between UN-Habitat and the Inter-American Development Bank and the Asian Development Bank, under which the latter would provide $500 million in fast-track credit lines to Asian countries for pro-poor investment in water and sanitation. Moreover, given the crucial nature of the interrelationship between sustainable human settlements, water and sanitation, UN-Habitat had established a Water and Sanitation Trust Fund. In that connection, Canada would provide 15 million Canadian dollars to the African component of the Trust Fund. The Government of Norway, which had given an initial grant of $250,000 to the Trust Fund, had indicated that it would increase its contribution in 2004. UN-Habitat continued to deepen its relations with international and

United Nations partners. It had signed memoranda of understanding with the United Nations Office on Drugs and Crime and with the Joint United Nations Programme on HIV/AIDS (UNAIDS).

31. *Ms. Zubčević (Croatia), Vice-Chairman, took the Chair.*

32. **Mr. Benmellouk** (Morocco), speaking on behalf of the Group of 77 and China, said that the lack of sustainable human settlements remained a serious challenge in developing countries. Currently, a third of the world's urban population, especially in developing countries, lived in slums; the proportion in Africa was 56 per cent. Unless drastic measures were taken, that situation would worsen. The United Nations Habitat and Human Settlements Foundation had not been able to achieve its primary objective of providing support for the implementation of the Habitat Agenda, particularly in developing countries, owing to a relatively low level of non-earmarked contributions. The donor base for non-earmarked contributions to the Foundation was narrow, with only seven donors providing 85 per cent of contributions in 2002. In that regard, the Group of 77 and China welcomed the fund-raising efforts of the Executive Director that had led to the increase in the general-purpose contributions to the Foundation in 2003 and urged Governments and Habitat Agenda partners to increase their financial contributions to the Foundation, preferably on the basis of multi-year pledges, so as to enable UN-Habitat to plan its activities.

33. Since water and sanitation were central to achieving sustainable development and reducing poverty in developing countries, the Group of 77 and China reiterated the need to fully implement the commitments made at the World Summit on Sustainable Development, especially the commitment to halve by 2015 the proportion of people who did not have access to or could not afford safe drinking water and the proportion of those without access to basic sanitation. To that end, the Group of 77 and China welcomed the establishment by the Executive Director of UN-Habitat of the Water and Sanitation Trust Fund, as the financing mechanism to support the creation of enabling environments for pro-poor investments in water and sanitation in developing countries. Governments and international financial institutions were also urged to increase their support for the water and sanitation activities of Habitat, including contributions to the Water and Sanitation Trust Fund, the Water for African Cities Programme and the Water for Asian Cities Programme.

34. While Governments had the primary responsibility for the implementation of the Habitat Agenda and the Declaration on Cities and Other Human Settlements in the New Millennium, Habitat should continue promoting partnerships with local authorities and other Habitat Agenda authorities in order to empower them to play a more effective role in the provision of adequate shelter for all and sustainable development in an urbanizing world. UN-Habitat should also work closely with other relevant agencies within the United Nations system, including the United Nations Environment Programme (UNEP).

35. The General Assembly should adopt the new rules of procedure of the Governing Council of the United Nations Human Settlements Programme. The Group of 77 and China was encouraged by the progress made by the Programme in all areas under the leadership of its Executive Director. They wished to see a fully functional Habitat Task Manager System and the inclusion of sustainable human settlements issues in Common Country Assessments and the United Nations Development Assistance Framework (UNDAF).

36. **Mr. Løvald** (Norway) said that Norway had been happy to take part in the highly successful first meeting of the Governing Council of UN-Habitat in Nairobi and reiterated its support for the new rules of procedure. The challenges of the urbanization of poverty were immense, and UN-Habitat should now play its important part in implementing the Habitat Agenda and attaining the Millennium Development Goals. Since the battle against poverty could not be won without attacking urban poverty, the work of UN-Habitat in assisting countries to identify ways of helping slum-dwellers was welcome, especially in the light of the Millennium Declaration target of improving the lives of 100 million slum-dwellers by 2020. The efforts made by UN-Habitat with regard to the follow-up of the Johannesburg Declaration were also welcome, especially the establishment of the Water and Sanitation Trust Fund and the targeting of the poorest of the poor.

37. Human settlements, along with water and sanitation, were to be themes of the next session of the Commission on Sustainable Development. It was a priority of the Norwegian chairmanship of the

Commission to develop the political momentum from Johannesburg in those areas, and UN-Habitat should participate actively in that process; his delegation reiterated its call for broad participation at the highest level. It also looked forward to participating in the next meetings of the World Urban Forum. UN-Habitat was progressing positively and Norway would support its important work in the years to come. It must be provided with the necessary resources in a stable and predictable manner so that it could carry out its important mandate.

38. One particularly positive development was the issue of a corporate agenda policy for mainstreaming gender equality, and the practice of establishing partnerships both within and outside the United Nations system was one of the Programme's greatest assets. In that connection, Norway strongly supported the increased cooperation between the United Nations and the Bretton Woods institutions. It also hoped that the balance established between normative and technical cooperation activities would be maintained.

39. **Ms. Lu** Mei (China) said that progress had undeniably been made since the establishment of UN-Habitat in 2001, but the problems of human settlements were far from solved. The developing countries were confronted by many difficulties in implementing the Habitat Agenda, and it was important for the international community to continue the effective implementation of the Agenda and the Declaration on Cities.

40. The international community must create a favourable environment for economic development and poverty eradication, which were the keys to the solution of human settlements problems. All nations should implement policies which took account of their national situations, since the problems differed from country to country, for a variety of reasons. Nations could learn from each other but there could be no uniform approach. The handling of the relationship between population growth, environmental protection and human settlements development must ensure the sustained and coordinated development of human settlements. Most of the peoples of the developing countries would long continue to live in rural areas with poor infrastructure; that question deserved greater attention from the international community.

41. The Chinese Government had introduced many measures to fulfil its commitments under the Habitat Agenda and it had achieved fundamental changes in urban and rural development and in housing and environmental conditions. Those achievements were due mainly to China's implementation of the Habitat Agenda in the light of its specific situation.

42. UN-Habitat should give priority to the implementation of the Habitat Agenda, focusing mainly on the major themes "adequate shelter for all" and "sustainable human settlements development in an urbanizing world", as well as building up the capacities of the developing countries and assisting them with financial and technical resources and training. UN-Habitat should also cooperate with the Commission on Sustainable Development in its deliberations on water, sanitation and human settlements.

43. **Mr. Stanislavov** (Russian Federation) said that his delegation took a generally positive view of the implementation of the Habitat Agenda and noted with appreciation the positive results of the activities of UN-Habitat since the upgrading to Programme status. The overall enhancement of those activities was largely responsible for the success of the nineteenth session of the Governing Council and its adoption of a realistic programme of work for 2004-2005; his delegation emphasized in that connection the sustainable development of human settlements, monitoring of the implementation of the Habitat Agenda, regional cooperation, and the focus on water-related problems. However, the potential for raising the effectiveness of UN-Habitat was far from exhausted: it could make more productive use of resources and ensure better coordination with other international organizations and programmes. UN-Habitat should give adequate attention to the countries with economies in transition.

44. The Russian Federation's voluntary contribution to the Programme was to double from 2004 and it had signed a cooperation programme for 2004-2005 providing for many large joint projects. It was also carrying out measures to ensure the sustainable development of human settlements and provide decent housing for all its people. The necessary regulatory framework had been established, and the federal programme "Housing 2002-2010" was making steady progress. There was also a plan for the computerized monitoring of the implementation of the Habitat Agenda in the Russian Federation. His delegation supported the recommendations contained in the report of the Secretary-General, which indicated the right direction for international cooperation on human

settlements, as well as providing guidelines for the development of national policies.

45. **Mr. Limon** (Suriname), speaking on behalf of the Caribbean Community, said that, although every human being had a right to a decent standard of living, many people still lived in absolute poverty without adequate shelter. Providing adequate shelter for all was an objective of the Habitat Agenda and the Millennium Declaration. Attainment of that objective required a collective approach and urgent action, especially in the developing countries, where there was increasing urbanization of poverty. The Caribbean Community looked forward in that connection to the guidance of the newly transformed Governing Council and the cooperation between UN-Habitat and the Inter-American Development Bank.

46. In order to tackle its many specific human settlement problems, the Caribbean region needed comprehensive land-use policies, adequate information and innovative approaches. His own country, for example, had highlighted national housing policy as an integral part of poverty eradication and improvement of social protection. All UN-Habitat partners must be brought together in the implementation of the Habitat Agenda, and Governments should heed the Governing Council's call to participate in the World Urban Forum. The face of poverty was most visible in slums. It was therefore crucial for the international community to attain the Millennium Development Goals, which were indeed the best hope for alleviating absolute poverty.

47. **Mr. Karanja** (Kenya) said that the support given to the nineteenth session of the Governing Council in Nairobi by the Committee of Permanent Representatives, the United Nations Office at Nairobi and the World Health Organization had been a manifestation of a successful partnership. Kenya was committed to the implementation of the Habitat Agenda and the Declaration on Cities and Human Settlements in the New Millennium and to the strengthening of the Habitat and Human Settlements Foundation. Programme implementation was being hampered by lack of funds and by the practice of earmarking funds: the Executive Director must be given greater flexibility in implementing the work programme. Kenya had pledged to increase its contribution to the equivalent of $50,000 a year for the next three years. The achievement of the 2015 targets with regard to access to safe drinking water and basic sanitation would be greatly facilitated by the Water and Sanitation Trust Fund. Similar action was being taken at the regional level, and the decision of the Commission on Sustainable Development to focus on water, sanitation and human settlements was of course welcome. Kenya urged the Executive Director to continue her efforts to increase activities with local authorities and other partners.

48. Improvement of human settlements was a priority of the Kenyan Government, which had embarked on a slum-upgrading programme designed to provide infrastructure and income-generating activities; in that connection, it had signed a memorandum of understanding with UN-Habitat. The Government had also resolved to build 150,000 housing units a year for the next five years, with priority for the low- and middle-income groups and emphasis on the involvement of local stakeholders and international investors. A national housing development programme was to be introduced to coordinate that work. The maintenance of the road network had been streamlined, and reforms had been introduced in the local government sector to enhance financial accountability and transparency. A policy of decentralization to local authorities was being prepared, and decentralization was also a topic of the deliberations on constitutional reform.

49. *Ms. Cronenberg-Mossberg (Sweden), Vice-Chairman, took the Chair.*

50. **Ms. Zubčević** (Croatia), welcoming the work of UN-Habitat since its transformation in 2002, the three-tiered intergovernmental mechanism consisting of its Governing Council, the General Assembly and the Economic and Social Council, and the revised rules of procedure to be adopted by the General Assembly at its present session, expressed her delegation's strong support for full implementation of the UN-Habitat agenda at national and local levels. Croatia had established a National Habitat Committee for national and local preparation and implementation of plans of action based on the UN-Habitat agenda. The Committee had proposed a three-year programme of work, which had been adopted by the Government of Croatia in April 2002, and worked with non-governmental organizations, the private sector and civil society, targeting those who administered urban governance at all levels, as well as experts in regional and local institutions, educational institutions and the mass media.

51. Croatia also supported the work of UN-Habitat at the international level, welcoming the outcome of the World Urban Forum on sustainable urbanization and encouraging further collaboration with the Cities Alliance and close cooperation with the World Bank. Croatia looked to UN-Habitat for guidance in its future capacity-building efforts in support of policies of sustainable urbanization at country and local levels, coordinating and cooperating with other relevant United Nations agencies, especially the United Nations Environment Programme (UNEP) and the United Nations Development Programme (UNDP). Croatia was a strong supporter of predictable funding, especially with regard to the unearmarked component, and in its own region endorsed the practice of regular reporting to UN-Habitat on implementation of the Habitat Agenda. Croatia called on UN-Habitat, in collaboration with other United Nations entities and other Habitat Agenda partners, to continue to develop an inclusive process for all Governments by providing assistance of a technical and normative nature. To that end, Croatia strongly encouraged the strengthening of the Global Urban Observatory in order to assist countries in collecting, analysing and using urban indicators. It also welcomed the development of the Partnership Agreement, and encouraged further efforts to enhance the operational role of UN-Habitat in securing more productive and effective cooperation with agencies, diversifying sources of financing for technical cooperation projects and programmes, and identifying new avenues for inter-agency collaboration.

52. **Mr. Jenie** (Indonesia) said that the mission of UN-Habitat significantly to improve the lives of at least 100 million slum-dwellers by 2020 remained a huge undertaking, given that the total number of people living in slums was now estimated to be 928 million, compared with more than 800 million in 2001. The pace of urbanization was increasing rapidly in countries all over the world, and exerting considerable pressure on land, housing and infrastructure, as well as causing social problems. Urbanization and poverty were closely intertwined, and for towns to play a central role in poverty reduction they had to be well organized and well developed. The forces that gave rise to slums must be challenged not just within the slums themselves but also within the wider urban and regional contexts. Urban poverty and slums would not be eliminated by a quick-fix solution of isolated local improvement. They required sound region-wide development policies.

53. Nevertheless, it was clear that progress towards a comprehensive solution was being made, and it was heartening that UN-Habitat had been successfully transformed into a fully fledged programme with an increased budget for the biennium 2004-2005. However, in view of the extent of the problem, the international community and donor countries should support the efforts of developing countries to achieve the targets and goals of sustainable human settlements by providing them with greater financial assistance, technology transfer and assistance in capacity-building in order to deal with the challenge of slum-dwellings. An environment had to be created that was conducive to creating investments in water and sanitation in the developing world. UN-Habitat should work closely with the Commission on Sustainable Development in preparing for the latter's twelfth session in order to ensure that fruitful discussions were held on the thematic cluster of issues linking water, sanitation and human settlements. Implementation of the Habitat Agenda could benefit from schemes such as the Cities Alliance, which were essential in laying the foundation for city development guidelines and strategies. The Habitat Agenda contained more than 100 commitments and 600 recommendations, and was a useful tool to guide Member States in pinpointing and concentrating on specific urban problems which should be dealt with as urgent priorities. It was not enough to have workable plans; it was more important that steps be taken, with adequate institutional and financial support from the international community, to implement those plans in order that maximum benefit could be derived from them.

54. **Ms. Kumela** (Ethiopia), expressing her delegation's congratulations to UN-Habitat on its successful transition to a fully fledged programme and its support for the adoption of the rules of procedure of its Governing Council, said she was pleased to note that progress had been made in the area of financing human settlements. Her delegation commended those Member States which had increased their support to a level that doubled total financial contributions in the current biennium, others which had resumed funding they had suspended while seeking revitalization and management reforms, and yet others which had concluded multi-year agreements to finance core programmes of the Habitat and Human Settlements Foundation. Ethiopia noted with appreciation the efforts being made to mobilize domestic financial resources for sustainable urbanization in developing

countries, and considered the UN-Habitat proposal for a global shelter facility or similar mechanism worthy of further discussion. Her delegation had noted with appreciation the priority that was to be given to requests from Africa for the use of the Water and Sanitation Trust Fund within the Habitat and Human Settlements Foundation. Ethiopia commended UN-Habitat for the funding of the second phase of the Managing Water for African Cities Programme from the Trust Fund, and wished to praise the Government of Canada for having contributing 15 million Canadian dollars to the African component of the Trust Fund.

55. In Ethiopia, rapid urbanization as a result of population growth and increasing rural-urban migration, coupled with slow economic growth and low levels of investment in urban centres, had led to high levels of unemployment, along with lack of infrastructure, inadequate delivery of services and poor urban management. The Government had increasingly focused on the needs of the country's rapidly growing urban population, giving priority to the restructuring and staffing of municipalities, the mobilization of financial resources, the strengthening of planning and management capacity and the improvement of land management and the delivery of basic services.

56. With reference to the forthcoming session of the Commission on Sustainable Development, her delegation drew attention to the Commission's decision to undertake regional reviews of implementation, and in that regard wished to urge UN-Habitat to participate fully in the regional implementation forum for Africa, which would be taking place in Addis Ababa, Ethiopia, in December 2003.

57. **Mr. Duijsens** (Observer for the International Federation of Red Cross and Red Crescent Societies) said that his organization's efforts to reduce vulnerabilities and work in partnerships was linked naturally to the Millennium Development Goal of reducing by half the proportion of people without sustainable access to safe water and basic sanitation. Its work addressed the broader context of disaster prevention and reducing the risks of disasters as a condition for reducing vulnerability and fighting poverty. His organization worked with local structures, led by volunteers who lived and worked in the local communities they served and provided indispensable insight into local vulnerabilities and capacities. Safe housing was obviously of prime importance in enabling inhabitants to resist recurring disasters. Of equal importance was the provision of adequate infrastructure, such as drainage systems, together with systems that prevented housing being built in unsafe locations. One of the underlying causes of increased vulnerability was poor health, absence of clean drinking water and proper sanitation and poor access to primary health care and health information. The Red Cross and Red Crescent Societies actively supported the Managing Water for African Cities Programme within the context of the New Economic Partnership for Africa's Development (NEPAD), with projects in a number of urban areas.

58. Red Cross and Red Crescent Societies enjoyed good working cooperation with Governments, as well as with NGOs and the various specialized agencies. They existed in more than 180 countries, and his organization would be preparing to participate in the second World Urban Forum, to be held in Barcelona, Spain, in September 2004. His organization was following the debate in the Committee with even more care than usual because so many of the issues were relevant to what would be discussed at the 28th International Conference of the Red Cross and Red Crescent, to be held in Geneva in December 2003, the theme of which would be "Protecting Human Dignity".

59. It was important for national and local governments to accept the Red Cross or Red Crescent Society in their cities as natural interlocutors on all issues relating to vulnerability; local structures should be capable of playing an active role in the design, development and implementation of programmes aimed at addressing vulnerability; and Governments and the wider donor community at all levels needed to be aware of the importance of building an enabling volunteer environment so that the resources of communities in urban contexts were maximized.

The meeting rose at 12.40 p.m.